



WHAT IS PAY EQUITY?

Pay equity is commonly referred to as “equal pay for equal work.” Pay equity establishes that, regardless of sex or race, people doing the same jobs will receive the same pay. Under federal law, the Equal Pay Act of 1963 also defines pay equity as the right to equal pay. Michigan’s Elliott-Larsen Civil Rights Act covers this right as well.

These definitions of pay equity, however, have not successfully accomplished the goal of making women’s pay equal to men’s pay. Statistics show that despite women’s advancement in the types of jobs pursued and the level of education attained, they are still earning less than their male counterparts. According to *Women’s Economic Status in the States*², a study issued by the Institute for Women’s Policy Research (IWPR), women in the United States earn only 76.2 percent of what men earn.

The study reports an even worse situation for Michigan women. Women here earn only 66.7 percent of what men earn. This ties Michigan with Alabama for having the 49th worst earnings ratio between men and women in the United States.

The Equal Pay Act of 1963 has had a limited effect on the movement toward equal pay. Therefore, Michigan legislators have introduced bills to address the lack of pay equity in the state. These bills would amend the Elliott-Larsen Civil Rights Act in order to prohibit employers from failing to provide equal pay for equal work or work that is of “comparable value.” An additional bill would establish a Commission on Pay Equity in the Michigan Department of Civil Rights. The passage of this legislation depends on the individual and unified lobbying of our elected officials.

Sources

¹ AFL-CIO Human & Women’s Rights Department and Public Policy Department. *The Long and Winding Road to Equal Pay: Highlights for Working Women in Michigan*. Washington, D.C.

² Institute for Women’s Policy Research. *The Status of Women in the States*. 4th ed. Ed. Amy B. Caiazza. Washington, D.C.: IWPR, 2002-2003.

³ U.S. General Accounting Office. *Women’s Earnings: Work Patterns Partially Explain Difference between Men’s and Women’s Pay*. Washington, D.C.: October 2003.

Michigan women earn just
67 cents for every dollar
that men earn.²

PAY EQUITY

An issue too costly to ignore

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It will be 2025 before Michigan
women’s pay is equal to men’s pay.¹
From the “Long and Winding Road to Equal Pay”

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WHO DOES PAY EQUITY AFFECT?

Pay equity is an issue affecting *everyone*. It crosses the boundaries of sex, age, region and race. With women in the United States potentially missing out on 23 cents per dollar of what men earn, the loss becomes great.²

In Michigan, where women earn just 67 percent of what men do, working mothers and fathers are missing out on crucial income for their families.² Another 33 cents per dollar for women's earnings might mean diapers for one family, fewer worries about educational costs for another, and more money for healthcare for others.

Additionally, the Institute for Women's Policy Research (IWPR) reports that in the United States "in 2002 single mother families were half of all families in poverty." In Michigan, about 11 percent of women live in poverty. The wage gap becomes a special burden for these women.

Young women starting careers are losing money to put toward retirement and investments for their futures. Older women who have experienced decades of pay inequity are retiring and are often struggling to handle the cost of living on smaller savings and fewer investments.

Women of color are significantly affected by the wage gap, as discriminatory employment practices can target both their sex and race. Women of color also tend to have lower rates of graduation from college due to a variety of factors. The IWPR points to Hispanic women as just one example of this, noting that "only 11.2 percent of Hispanic women, less than half the rate for white women, had a college degree or more in 2002." When paired with employment discrimination, this lack of access to job training skills and education can drastically hinder the opportunity to compete for jobs with higher pay.



We see pay equity as
a matter of principle.
One is either for or
against fairness.

Polly Howe
Michigan Pay Equity Network

WHY IS THERE A DIFFERENCE IN PAY?

Various factors account for the difference between men and women's pay. A woman's access to education, her race, her region and her experience can influence the types of jobs she may apply for or the promotions for which she is considered.

Yet in 2003, the United States General Accounting Office reported that from 1983 to 2000, "approximately 45 percent of the wage gap between men and women could not be explained by the combined effect of differences in human capital, industry and occupation, unionization, and work hours."

Such unexplained inequity indicates that general hiring decisions, promotions, raises and other forms of employee recognition are highly vulnerable to discrimination based on sex. According to the Institute for Women's Policy Research, "even when women work in higher-paid occupations, such as managerial positions, they earn substantially less than men... only 6 percent of women managers have earnings in the top 20 percent (for all managers)."

It does not seem to be enough for women to move to management and leadership roles alongside men. Even the women with the competitive education and skills to do so have not experienced the rewards in terms of equal pay.

WHAT CAN BE DONE?

Achieving pay equity is possible, but it requires the help of individuals, businesses and government.

Individuals

Many men and women are not aware of the difference in their pay, and that lack of awareness is one reason why some instances of pay inequity may go unchallenged. To achieve equal pay for equal work, both men and women must take an active role in educating themselves about the issue and find areas where women can have more of an opportunity to earn equal pay. They must also communicate the importance of this issue to their legislators.

Businesses

Businesses small and large play an important role in supporting equal pay for women. Discriminatory hiring practices carry on the problem of pay inequity. New policies and new company awareness can encourage equal pay for equal work.

Organizations like the National Committee on Pay Equity have information available to help businesses to do a self-audit of their current pay equity situation.

Government

The Equal Pay Act of 1963 and the Elliot-Larsen Civil Rights Act prohibit on-the-job discrimination based on sex and establish your right to equal pay for equal work. Additional bills have been introduced in Michigan to prohibit employers from failing to provide employees with equal pay for equal work.

Filing a Complaint

Under the federal Equal Pay Act of 1963 and the Elliot-Larsen Civil Rights Act, you have the right to seek recourse if you have been discriminated against. To learn more, please contact the Michigan Department of Civil Rights at 1-800-482-3604 or online at www.michigan.gov/mdcr.

WHERE CAN I LEARN MORE?

National Committee on Pay Equity | Pay-Equity.org

AFL-CIO Working Women | AFLCIO.org/women

Business and Professional Women | BPWUSA.org

Equal Employment Opportunity Commission | EEOC.gov